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REPORT OF THE SECRETARY-GENERAL ON
THE WORK OF THE ORGANIZATION

SECURITY COUNCIL
Forty-eighth year

Note verbale dated 21 May 1993 from the Permanent Mission of Egypt to the United Nations addressed to the Secretary-General

The Permanent Mission of the Arab Republic of Egypt to the United Nations presents its compliments to the Secretary-General and, with reference to his note dated 12 April 1993 soliciting the comments and suggestions of Governments on the question of assistance to third countries that sustain economic damage arising from the imposition of sanctions under Chapter VII of the Charter of the United Nations, has the honour to present hereunder the observations and suggestions of the Government of Egypt in this regard.

Introduction

The question of providing assistance to third countries that sustain damage arising from the imposition of sanctions has taken on particular importance in the light of the fact that the Security Council has proceeded to impose economic sanctions in the framework of its responsibility for the maintenance of international peace and security and of the damage arising from the imposition of sanctions subsequently sustained by certain countries as a result of their compliance with the provisions of the resolutions under which the sanctions were imposed. The objective of the framers of the Charter in incorporating the provisions of Article 50 should therefore be carefully and meticulously examined and agreement should be reached on the measures that must be taken to mitigate suffering and prevent serious damage to any country.

1. In the first instance, stress should be placed on the principle of the equitable sharing of the costs and responsibilities of the collective security

* Reissued for technical reasons.

system so that no country or group of countries bears a disproportionate or unwarranted burden by virtue of its participation in the system.

2. The experience of the recent past has clearly shown that there is a need to re-examine the provisions of Article 50 of the Charter, and it has been demonstrated that the international financial institutions presently in existence are unable to respond in a rapid and effective manner to the enormous number of claims presented by countries that have sustained damage. This is due primarily to the fact that these institutions lack the appropriate mechanisms and the necessary funds to respond to the requests made by countries. This is altogether natural, since they were not originally established for this purpose. Perhaps the truest testimony to the foregoing is the continued suffering of a large number of countries and their concern to devise an alternative system to prevent the aggravation or repetition of such suffering.

3. Article 50 of the Charter states that "... any [other] State, ..., which finds itself confronted with [special] economic problems [arising from the carrying out of those measures] shall have the right to consult the Security Council with regard to a solution of those problems".

This right to consult raises three basic issues, namely:

(a) The fact that consultation between a country that has sustained damage and the Security Council is a right guaranteed under the Charter;

(b) The fact that consultation is not a goal in itself but that the objective is to solve the problems arising from the imposition of sanctions;

(c) The timing of the consultation, inasmuch as it is clear that, together with consultation after the imposition of sanctions, consultation <u>before</u> the imposition of sanctions with countries that may sustain damage would undoubtedly be very useful as a preventive measure contributing to the limitation of the scale and range of the negative impact there might be on the economies of third countries arising out of the imposition of the sanctions.

4. In the light of the foregoing, Egypt proposes the establishment of an appropriate mechanism taking the form of a standing committee of the Council, in accordance with Article 29 of the Charter, to perform two basic functions on its behalf:

First, to consult with countries susceptible to damage <u>before</u> imposing sanctions, although it should be stressed that the objective of such consultation would be restricted to exploring and identifying the most appropriate form for sanctions that would achieve their objective without inflicting unwarranted damage on any third party and should not, under any circumstances, have the goal of placing limitations on the principle of sanctions itself, which would remain of the essence of the Council's authority;

Secondly, to consult with countries that have sustained damage after the imposition of sanctions and to report to the Council in that regard, while bearing in mind that relative damage may differ from one country to another according to the overall scale of the economy and the extent of its

dependence on a specific sector or sectors that may be affected by the imposition of sanctions on another country. This will help to direct assistance to claimant countries in terms of the proportionate and equitable distribution of any resources that become available for that purpose.

5. In an endeavour to secure the financial resources required to meet the claims of countries that have sustained damage, it may be appropriate for a fund to be established that is basically sustained by assessed contributions on the basis of the scale of assessments for peace-keeping operations as an outcome of activities mandated by the Security Council. At the same time, countries should be urged to make voluntary contributions to the fund as their participation in meeting the responsibilities of the collective security system.

The Permanent Mission of the Arab Republic of Egypt requests that the present note be circulated as an official document of the forty-seventh session of the General Assembly, under agenda item 10, and of the Security Council.